

Labour Market Information Monthly

November 2009 Edition

Issue 11 Volume 6

THE FUTURE OF ATLANTIC CANADA: DEALING WITH THE DEMOGRAPHIC DROUGHT¹ Executive Summary

Atlantic Canada is facing a looming labour shortage. While the problem is not unique to the region, the demographic changes behind this shortfall of workers are taking place more rapidly in Atlantic Canada. At present, the economic downturn has shifted focus away from these long-term challenges onto the immediate economic challenges facing Atlantic Canada's families and businesses. However, demographic challenges will continue to impact the region long after its economy has recovered.

Building on research by the Canadian Federation of Independent Business (CFIB) and others, this report examines the demographic changes taking place in Atlantic Canada, and the resulting labour shortage. Given the region's high rates of youth out-migration, this report also considers small business owners' views on the future of young Atlantic Canadians and what employers are doing to attract and retain this important group.

As the findings demonstrate, small business owners identify an aging population, the out-migration of youth and the shortage of qualified labour as the greatest challenges facing Atlantic Canada. Further, business owners believe training and skills development are essential to improve the outlook for young people in the region. In addition to increasing salaries and wages, employers rely on training and advancement opportunities, greater employment flexibility, and apprenticeship programs to attract younger workers. In order to do more, employers want governments to promote trades and apprenticeships, and provide businesses with training tax credits. They also believe high schools should teach skills that are in demand by employers.

Unfortunately, there is no single solution to Atlantic Canada's population issues. While governments, businesses, and communities must all find ways to retain the current workforce and attract new people to the region, sustainable economic growth will largely depend on the region's ability to do more with less. This report outlines some potential ways for governments to accomplish that goal. Atlantic governments should set ambitious targets to help the private sector achieve productivity growth and adopt a cooperative approach to regional demographic challenges. CFIB also recommends that governments take steps to incent and reward workplace training, better match the immigration system to the needs of small business and reduce the tax burden on Atlantic Canadians. These approaches to tackling Atlantic Canada's demographic challenges will benefit not only small employers, but also employees, larger businesses, governments and the region in general. For the complete document, go to <http://www.cfib-fcei.ca/cfib-documents/rr3092.pdf>.

* Excerpted from the document The Future of Atlantic Canada: Dealing with the Demographic Drought, Canadian Federation of Independent Business (CFIB), October 2009. ISBN 978-0-9813783-0-5.

This Month

- The Future of Atlantic Canada: Dealing with the Demographic Drought
- Key Labour Force Statistics
- The Industry Report

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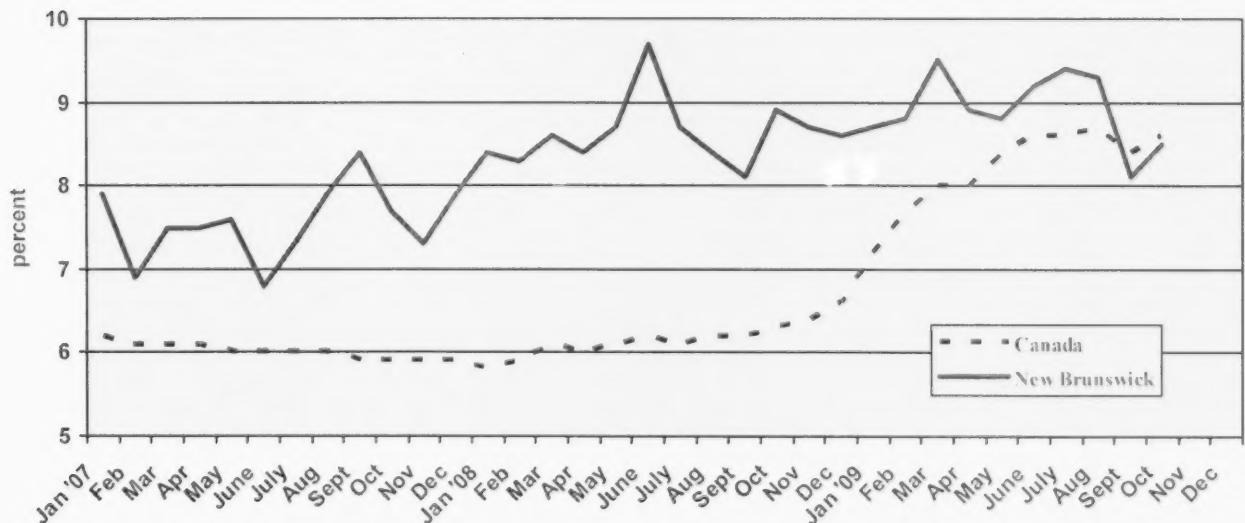
KEY LABOUR FORCE STATISTICS FOR NEW BRUNSWICK (Source: Statistics Canada Labour Force Survey)

New Brunswick	YTD	October '09	September '09	October '08
Labour Force	402,000	403,600	400,100	405,300
Employed	366,200	369,400	367,800	369,200
Unemployed	35,900	34,200	32,300	36,100
Unemployment Rate	8.9%	8.5%	8.1%	8.9%
Participation Rate	64.7%	64.9%	64.3%	65.4%
Employment Rate	59.0%	59.4%	59.1%	59.6%

CANADA COMPARED TO NEW BRUNSWICK

In October, Canada's unemployment rate was 8.6%, 0.2 of a percentage point higher than last month and 2.3 percentage points higher than the same time last year. New Brunswick's rate of 8.5% was 0.4 of a percentage point higher than last month but 0.4 of a percentage point lower than the same time last year, when it also stood at 8.9%.

UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA



Source: Statistics Canada Labour Force Survey

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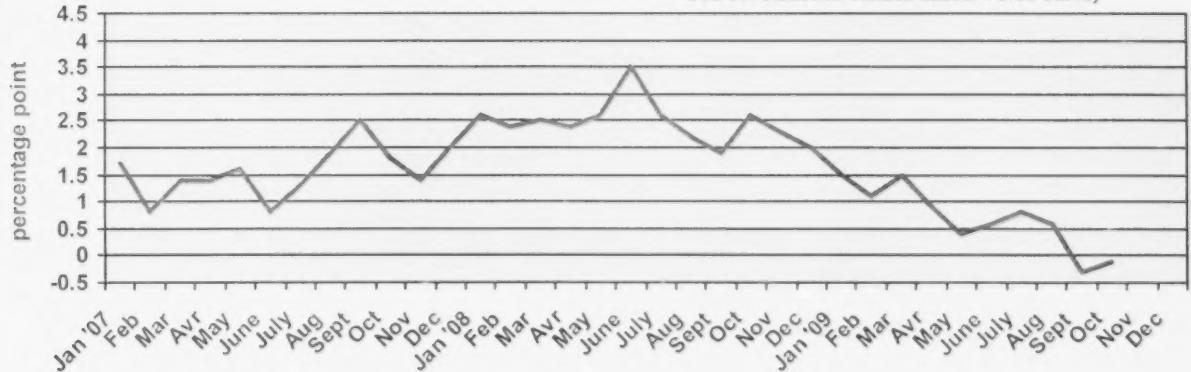
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CANADA COMPARED TO NEW BRUNSWICK (continued)

The gap between the national and provincial rates was -0.1 of a percentage point in October.

DIFFERENCE IN UNEMPLOYMENT RATES IN NEW BRUNSWICK AND CANADA

Source: Statistics Canada Labour Force Survey

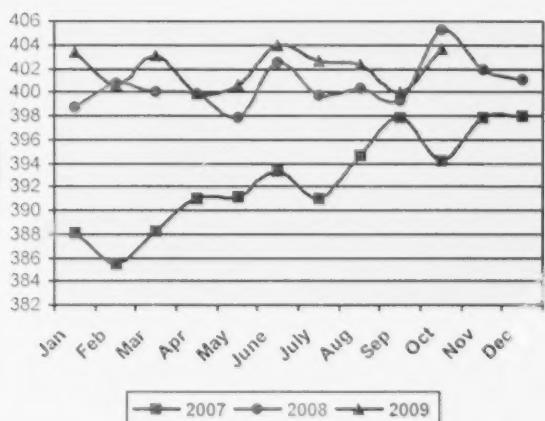


THE LABOUR FORCE

New Brunswick's labour force stood at 403,600 in October. This represented an increase of 3,500 over last month, but a decrease of 1,700 over the same time last year.



THE SIZE OF THE LABOUR FORCE



Source: Statistics Canada Labour Force Survey

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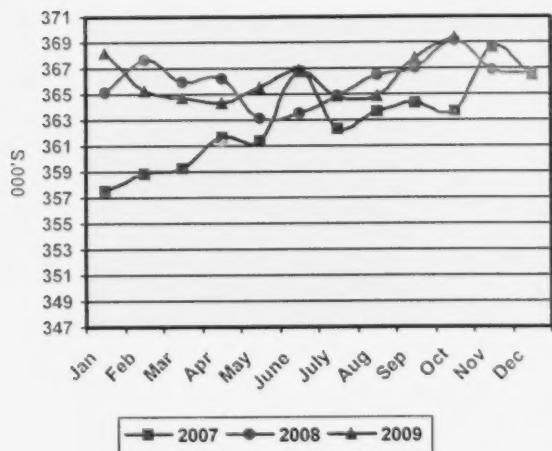
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EMPLOYMENT

There were 369,400 people working in October. This was 1,600 more than last month and 200 more when compared to the same period last year.

EMPLOYMENT IN NEW BRUNSWICK



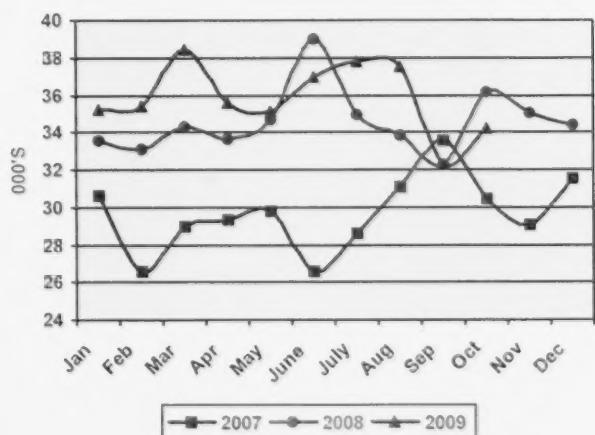
Source: Statistics Canada Labour Force Survey



UNEMPLOYMENT

There were 34,200 people unemployed and seeking work in October. This is 1,900 more people than what was recorded last month but is 1,900 less compared to the same period last year.

UNEMPLOYMENT IN NEW BRUNSWICK



Source: Statistics Canada Labour Force Survey

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THE UNEMPLOYMENT RATE

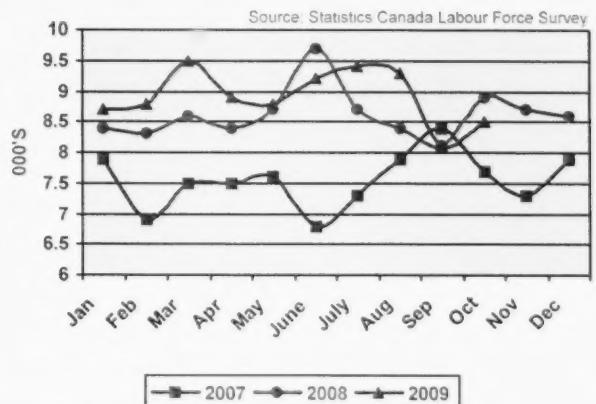
New Brunswick's unemployment rate of 8.5% in October was 0.4 of a percentage point higher than last month but was 0.4 of a percentage point lower compared to the same time last year.



THE ECONOMIC REGIONS

Statistics Canada reports labour force statistics for the economic regions as three month moving averages of actual (not seasonally adjusted) data.

THE UNEMPLOYMENT RATE IN NEW BRUNSWICK



October'09	Economic Regions				
	Northeast	Southeast	Southwest	Central	Northwest
Labour Force (000)	75.5	117.0	95.5	73.7	45.3
Employment (000)	65.7	109.1	90.3	69.5	41.2
Unemployment (000)	9.8	7.9	5.2	4.2	4.1
Unemployment Rate (%)	13.0	6.8	5.4	5.7	9.1
Participation Rate (%)	55.9	69.5	66.4	69.1	66.4

Economic Regions	YTD	October'09		October'08		
		Emp.	UR	Emp.	UR	
Northeast	63,500	15.8%	65,700	13.0%	71,100	13.1%
Southeast	105,400	7.9%	109,100	6.8%	108,200	6.1%
Southwest	90,800	6.2%	90,300	5.4%	87,100	6.5%
Central	66,800	7.5%	69,500	5.7%	67,800	6.1%
Northwest	39,600	10.4%	41,200	9.1%	41,200	7.0%

On a year over year basis (October 2009 compared to October 2008), employment increased in the Southwest (+3,200); Central (+1,700) and Southeast (+900) economic regions while employment decreased in the Northeast (-5,300) region. Employment remained unchanged in the Northwest.

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THE INDUSTRY REPORT

Employment growth on a year over year basis was strongest in the following sectors*:

Accommodation and Food Services (22.5%) – In October of 2009 there were approximately 26,100 people employed in this sector. This is only the second month in a row where the monthly employment level recorded was stronger than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year over year basis in only 9 of those months (7 happening during the first 10 months of this period). Even though things for this sector are looking up, so far this year (Jan. to October, 2009), employment has actually declined by 4.8% when compared to the same time period last year.

Finance, Insurance, Real Estate and Leasing (17.1%) – In October of 2009 there were approximately 18,500 people employed in this sector (a record high for this sector). This is the sixth month in a row where the monthly employment level recorded was stronger than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year over year basis in only 11 of those months. So far this year (Jan. to Oct. 2009), employment is 4.6% higher than last year (Jan. to Oct. 2008).

Construction (16.9%) – In October of 2009 there were approximately 29,000 people employed in this sector (a new record high for this sector). This is the eighth month in a row where the monthly employment level recorded was stronger than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year over year basis in 16 of those months. So far this year (Jan. to Oct. 2009), employment is 13.2% higher than last year (Jan. to Oct. 2008). All indications suggest the provincial infrastructure program combined with the federal economic stimulus plan and the booming urban centres of Moncton, Saint John and Fredericton are all working together to push construction employment to record levels, at least in the short-term.

Other Services (12.8%) – In October of 2009 there were approximately 16,700 people employed in this sector. This is the sixth month in a row where the monthly employment level recorded was stronger than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year over year basis in only 9 of those months. Even though things for this sector are looking up, so far this year (Jan. to October, 2009), employment has actually declined by 1.6% when compared to the same time period last year.

Includes the top three growth sectors and all sectors that posted a 10% or greater (year over year) increase in employment.

Employment was weaker on a year over year basis in the following sectors:**

Transportation and Warehousing (-15.6%) – In October of 2009 there were approximately 18,400 people employed in this sector. This is the tenth month in a row that this sector has experienced a year over year decline in employment. Over the last 24 months this sector has recorded year over year employment gains 12 times. So far this year (Jan. to Oct. 2009), employment has declined by 8.1% when compared to the same time period last year. This decline can be attributed to



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THE INDUSTRY REPORT (continued)

the fact that the Manufacturing, Forestry, and Mining sectors have all struggled over the last year.

Utilities (-12.2%) – In October of 2009 there were approximately 4,300 people employed in this sector. This is the seventh month in a row that this sector has experienced a year over year decline in employment. Over the last 24 months this sector has recorded year over year employment gains 17 times. So far this year (Jan. to Oct. 2009), employment has declined by 11.0% when compared to the same time period last year. This decline may be attributed to the fact that the Canaport LNG project in Saint John and the associated LNG pipeline as well as a number of other large construction projects are winding down.

Manufacturing (-9.4%) – In October of 2009 there were approximately 32,600 people employed in this sector. This is the thirteenth month in a row where the monthly employment level recorded was weaker than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year over year basis in only 2 of those months. So far this year (Jan. to Oct. 2009), employment has declined by 6.5% when compared to the same time period last year. This sector has taken many hits over the last couple of years as a result of the weakening economy (here and abroad), the fluctuating value of the Canadian dollar and high energy prices.

** Includes the bottom three growth sectors and all sectors that posted a 10% or greater (year over year) decrease in employment



